

YEAR-END REPORT

2023



January - December

Efforts to improve profitability proceeding to plan, with improved margin

Fourth quarter of 2023 in brief

- Sales totaled SEK 2,252 million (2,364)
- Operating profit (EBITA) was SEK 177 million (163)
- EBITA margin of 7.9% (6.9)
- Profit after tax was SEK 125 million (105), excl. non-recurring items
- Diluted earnings per share were SEK 0.46 (0.39), excl. non-recurring items
- Cash flow after investments amounted to SEK 80 million (-188)

Full year 2023 in brief

- Sales totaled SEK 9,546 million (10,774)
- Operating profit (EBITA) was SEK 761 million (908), excl. non-recurring items
- Profit after tax was SEK 545 million (656), excl. non-recurring items
- Diluted earnings per share were SEK 2.02 (2.44), excl. non-recurring items
- Cash flow after investments rose to SEK 446 million (8), excl. acquisitions
- The equity/assets ratio was 56% (54) and net financial liabilities were SEK 895 million (708)
- The Board proposes a dividend of SEK 1.50 (1.90) per share

Comments from the CEO - Continual improvement of the margin

Our focus and efforts to improve margins by adapting total costs in each unit and applying strategic price increases are proceeding to plan. This work is gradually having the desired effect and, compared with the previous year, the EBITA margin rose by 1 percentage point, amounting to 7.9% in the fourth quarter. These results have, however, been partly offset by lower volumes.

Adjusted for currency and acquisitions, the Group's net sales decreased by 6% in the fourth quarter to SEK 2,252 million. The decrease in sales on the previous year was attributable to markedly lower volumes in Integrated Solutions. Cash flow after investments increased to SEK 80 million, owing in part to improvements in working capital.

Medical Solutions sales decreased by 2%, adjusted for currency and acquisitions. All product areas, with the exception of surgery, saw solid volumes, despite some inventory adjustments before year-end. The EBITA margin increased to 9.9% and this business area now accounts for more than two-thirds of Group earnings.

The decrease in Integrated Solutions sales, which was –41% adjusted for currency and acquisitions, also continued in the fourth quarter. Several of our consumer electronics customers have seen reduced end-customer demand due to the economic slowdown. The EMC business performed in line with the previous year, although with the lower pace of 5G roll-out offset by progress in areas such as automotive. The significantly lower volumes resulted in the EBITA margin falling to –0.4%.

Industrial Solutions sales increased by 7%, adjusted for currency. The performance was due to strong demand, particularly in automotive, offset by lower demand for consumer discretionary goods due to the weak economy. The EBITA margin rose to 7.4%, driven by volumes and more efficient production.

We are seeing many of our customers optimizing their resources and presence based on a global market approach and seeking global suppliers with a local presence. We have therefore taken the decision to merge Integrated Solutions and Industrial Solutions to create a new Engineered Solutions business area from the first quarter of 2024. By adopting a shared approach and management, we are able to provide customers with a global offering of multi-site solutions. This allows us to proactively develop major new accounts and realize the full potential of our existing customer base. The new business area accounts for almost half of the Group's sales and is led by Anders Björklund.



Christer Wahlquist, President and CEO, Nolato AB

Group highlights

SEK million unless otherwise specified	Note	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Net sales	1	2,252	2,364	9,546	10,774
Operating profit (EBITDA)		318	296	1,253	1,411
Operating profit (EBITA)		177	163	701	908
EBITA margin, %		7.9	6.9	7.3	8.4
Operating profit (EBIT)	2	165	152	657	867
Profit after financial income and expense	2	149	186	616	875
Profit after tax		75	146	435	697
Earnings per share, basic and diluted, SEK	3	0.28	0.54	1.61	2.59
Adjusted earnings per share, basic and diluted, SEK	3	0.31	0.57	1.74	2.70
Cash flow after investments, excluding acquisitions and disposals		80	– 188	446	8
Net investments affecting cash flow, excluding acquisitions and disposals		106	99	425	451
Cash conversion, %		—	—	65	1
Return on capital employed, %		—	—	9.0	12.8
Return on shareholders' equity, %		—	—	8.1	13.6
Equity/assets ratio, %		—	—	56	54
Net financial liabilities, excluding pension- & lease liabilities		—	—	– 895	– 708

See definitions of IFRS measures and alternative performance measures on page 22.

Including a non-recurring item of SEK –60 million in operating profit in full year 2023 and SEK –50 million in profit after tax in Q4-2023 and full year 2023.

Including a non-recurring item of SEK 41 million in profit after financial items in Q4-2022 and full year 2022, which also impacted the profit after tax.

This document is a translation from Swedish. In the event of any difference between this version and the Swedish original, the latter shall prevail.

Fourth quarter 2023

- Sales totaled SEK 2,252 million (2,364), which, adjusted for currency and acquisitions, was a decrease of 6%
- Operating profit (EBITA) was SEK 177 million (163)
- The EBITA margin increased to 7.9% (6.9) due to higher margins for Medical and Industrial Solutions
- Cash flow after investments improved to SEK 80 million (-188)

Sales

Consolidated sales totaled SEK 2,252 million (2,364); a decrease of 6%, adjusted for currency and acquisitions. Lower sales for Integrated Solutions and, to some extent, Medical Solutions had a negative impact, while Industrial Solutions' contribution was positive.

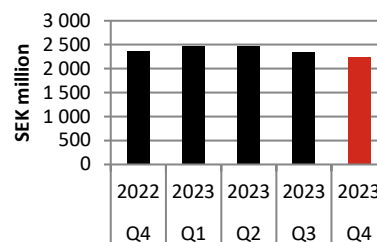
Medical Solutions sales amounted to SEK 1,300 million (1,312); adjusted for currency and acquisitions, sales decreased by 2%. Demand within surgery was lower in the quarter, which was the reason for the negative growth. In vitro diagnostics (IVD) volumes were in line with the previous year. Other product areas were solid, but were affected by inventory adjustments ahead of year-end.

Integrated Solutions sales totaled SEK 243 million (407). Adjusted for currency and acquisitions, this was a decrease of some 41%. Volumes were mainly affected by lower end-customer demand in consumer electronics, which was adversely impacted by weak economic conditions. Sales in the EMC business totaled SEK 159 million (165). Telecom market volumes decreased further and were very low in the fourth quarter, while other areas performed well.

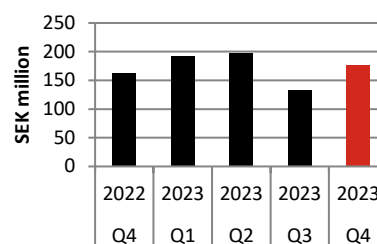
Industrial Solutions sales amounted to SEK 716 million (651); adjusted for currency, sales increased by 7%. It was primarily volumes in automotive, as well as hygiene, that saw strong demand. Demand for products supplied in the consumer discretionary sector was slightly lower due to the weak economy.

Strong growth in Industrial Solutions, but lower volumes adversely impacted other business areas

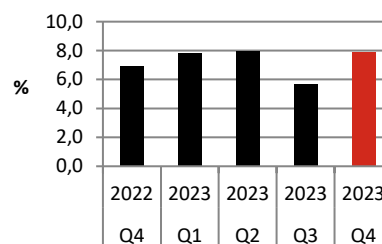
• Sales



• Operating profit (EBITA)



• EBITA margin



Profit

The Group's operating profit (EBITA) rose to SEK 177 million (163).

Operating profit (EBITA) increased to SEK 129 million (126) for Medical Solutions, while for Integrated Solutions it declined significantly to SEK –1 million (25), and for Industrial Solutions it rose sharply to SEK 53 million (18).

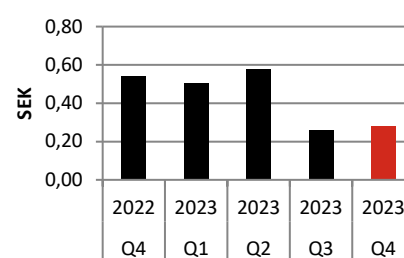
The EBITA margin for Medical Solutions rose to 9.9% (9.6). A change in the sales mix, with a lower proportion from the surgery area, supported the margin. For Integrated Solutions, the margin was –0.4% (6.1). Cost adjustments in the Chinese business are proceeding to plan, but the lower volumes in both consumer electronics and EMC are offsetting the effect on profit. The EBITA margin for Industrial Solutions increased to 7.4% (2.8). Good volumes in the automotive and hygiene areas, combined with less disruption in the automotive supply chain, have boosted production efficiency, which has had a positive impact on the margin. Overall, the Group's EBITA margin rose to 7.9% (6.9).

Operating profit (EBIT) increased to SEK 165 million (152).

Operating profit after net financial income/expense was SEK 149 million (SEK 145 million, excluding non-recurring items). In the previous year, net financial income and expense included positive non-recurring items of SEK 41 million, which arose from the revaluation of contingent consideration concerning acquisitions.

Profit after tax was SEK 125 million (105), excluding non-recurring items. The lower profitability of the Chinese business has resulted in a need for a SEK 50 million impairment of a deferred tax asset, which was recognized as a tax expense. This impairment loss has no cash flow effect. Including non-recurring items, profit amounted to SEK 75 million (146). Diluted earnings per share were SEK 0.46 (0.39), excluding non-recurring items. Including non-recurring items, earnings per share amounted to SEK 0.28 (0.54). Adjusted earnings per share after dilution but excluding amortization of intangible assets arising from acquisitions amounted to SEK 0.50 (0.42), excluding non-recurring items.

Earnings per share



Sales, operating profit (EBITA) and EBITA margin by business area

SEK million	Sales Q4/2023	Sales Q4/2022	EBITA Q4/2023	EBITA Q4/2022	EBITA marg. Q4/2023	EBITA marg. Q4/2022
Medical Solutions	1,300	1,312	129	126	9.9%	9.6%
Integrated Solutions	243	407	– 1	25	– 0.4%	6.1%
Industrial Solutions	716	651	53	18	7.4%	2.8%
Intra-Group adj., Parent Co	– 7	– 6	– 4	– 6	—	—
Group total	2,252	2,364	177	163	7.9%	6.9%

Operating profit (EBITA): Earnings before financial income and expense, taxes and amortization of intangible assets arising from acquisitions.

Full year 2023

Sales and profit

Consolidated sales totaled SEK 9,546 million (10,774); a decrease of 16% adjusted for currency and acquisitions.

Sales for Medical Solutions rose by 4% to SEK 5,308 million (4,859), while for Integrated Solutions they decreased by some 60% to SEK 1,379 million (3,311) and increased for Industrial Solutions by 4% to SEK 2,871 million (2,618), all percentages adjusted for currency and acquisitions.

The Group's operating profit (EBITA) was SEK 761 million (908), excluding non-recurring items. A non-recurring item was recognized in the third quarter for SEK 60 million in costs relating to the concentration of the Chinese business, as per the press release of August 24. This non-recurring item has been charged at Group level and is not included in the business areas' earnings. Overall, the Group's EBITA margin was 8.0% (8.4%), excluding non-recurring items.

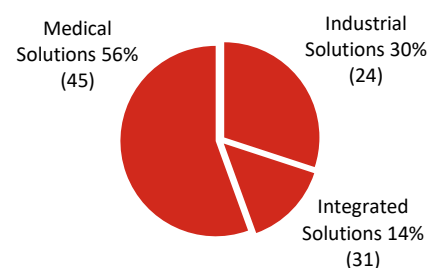
Operating profit (EBIT) amounted to SEK 717 million (867), excluding non-recurring items.

Profit after net financial income and expense was SEK 676 million (834), excluding non-recurring items. Including non-recurring items, profit amounted to SEK 616 million (875).

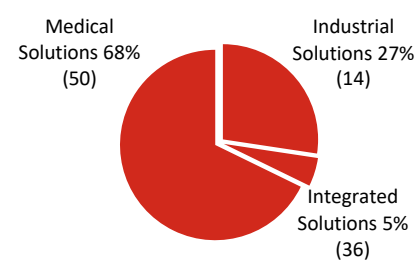
Profit after tax amounted to SEK 545 million (656), excluding non-recurring items. Including non-recurring items, profit amounted to SEK 435 million (697). Diluted earnings per share were SEK 2.02 (2.44), excluding non-recurring items. Including non-recurring items, diluted earnings per share were SEK 1.61 (2.59). Adjusted earnings per share after dilution but excluding amortization of intangible assets arising from acquisitions amounted to SEK 2.15 (2.55), excluding non-recurring items. The effective tax rate was 29.4% (20.3). Excluding non-recurring items, the tax rate was 19.4% (21.3).

The return on capital employed was 9.0% (12.8). Return on equity was 8.1% (13.6). Cash conversion was 65% (1).

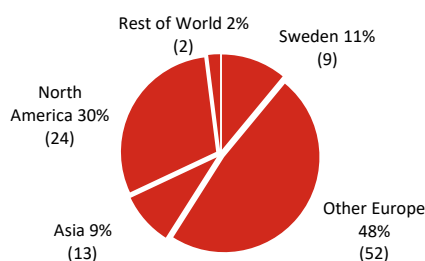
Business areas' share of sales



Business areas' share of operating profit (EBITA)



Sales by geographic markets



Medical Solutions

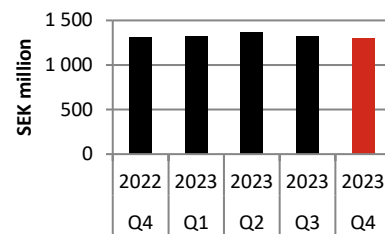
Sales and profit full year (SEK million)	2023	2022
Sales	5,308	4,859
Operating profit (EBITA)	525	457
EBITA margin (%)	9.9	9.4
Operating profit (EBIT)	494	427

Medical Solutions sales amounted to SEK 5,308 million (4,859); adjusted for currency and acquisitions, sales increased by 4%. Most product areas saw good growth, especially in the first half of the year. This did not, however, apply to in vitro diagnostics (IVD), whose sales were lower than in the previous year due to inventory adjustments in the value chain and a change in the customer mix in the second half of the year. The surgery area experienced lower volumes in the second half of the year.

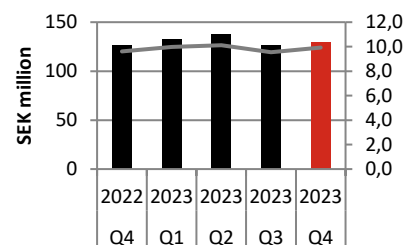
Operating profit (EBITA) for Medical Solutions rose to SEK 525 million (457).

The EBITA margin for Medical Solutions increased to 9.9% (9.4). A change in the sales mix, with a lower proportion from the surgery area, supported the margin.

Medical Solutions sales



Medical Solutions operating profit (EBITA) & EBITA margin %



Integrated Solutions

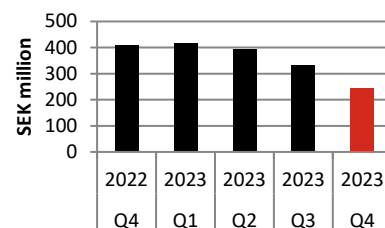
Sales and profit full year (SEK million)	2023	2022
Sales	1,379	3,311
Operating profit (EBITA)	47	334
EBITA margin (%)	3.4	10.1
Operating profit (EBIT)	45	333

Integrated Solutions sales amounted to SEK 1,379 million (3,311); adjusted for currency and acquisitions, sales decreased by some 60%. Most consumer electronics customers were affected by reduced demand from end-customers, but it was a change in the sourcing strategy of a previously significant customer that primarily resulted in lower volumes. EMC sales totaled SEK 674 million (673), SEK 17 million of which was attributable to acquisitions. Increased market share in automotive made a positive contribution to growth, while sluggish activity and inventory adjustments in 5G roll-out had a significant adverse impact on telecom. Nolato acquired UK-based P&P Technology in April. The company, which has annual sales equivalent to approximately SEK 25 million with good profitability, provides component- and materials-based electronics shielding solutions. The acquisition provides Nolato with complementary production technologies, an expanded customer base and a stronger presence in the UK.

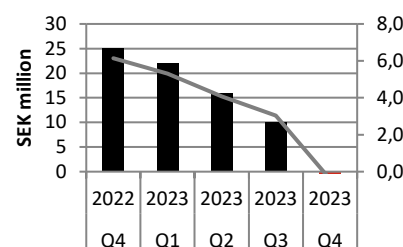
Operating profit (EBITA) for Integrated Solutions was SEK 47 million (334).

The EBITA margin for Integrated Solutions was 3.4% (10.1). Significantly lower volumes had a negative impact on the margin.

Integrated Solutions sales



Integrated Solutions operating profit (EBITA) & EBITA margin %



Industrial Solutions

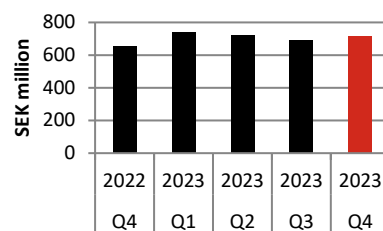
Sales and profit full year (SEK million)	2023	2022
Sales	2,871	2,618
Operating profit (EBITA)	219	128
EBITA margin (%)	7.6	4.9
Operating profit (EBIT)	208	118

Industrial Solutions sales amounted to SEK 2,871 million (2,618); adjusted for currency, sales increased by 4%. Automotive volumes increased, while supply chain disruptions had less of an impact than previously. The charging on of cost increases has gradually contributed less to the increase in sales. Demand for products in the consumer discretionary sector was slightly lower, and this is expected to continue in the next quarter due to the weak economy and restrained consumer spending.

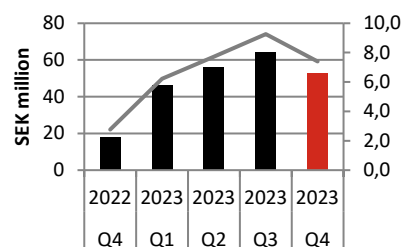
Operating profit (EBITA) rose sharply to SEK 219 million (128).

The EBITA margin for Industrial Solutions increased to 7.6% (4.9). Good volumes in the automotive area, combined with less disruption in the supply chain, have boosted production efficiency, which has had a positive impact on the margin.

Industrial Solutions sales



Industrial Solutions operating profit (EBITA) & EBITA margin %



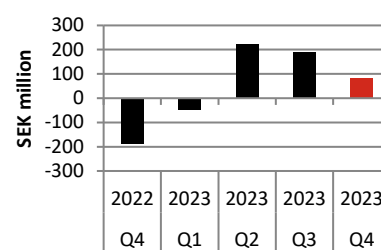
Cash flow

Cash flow after investments, excluding acquisitions, rose to SEK 80 million (–188) in the fourth quarter. The improvement in cash flow was mainly due to a less negative change in working capital. The previous year was adversely affected primarily by lower use of supplier finance for trade receivables.

Net investments affecting cash flow in the quarter, excluding acquisitions, increased to SEK 106 million (99).

For the full year 2023, cash flow after investments rose to SEK 446 million (8), excluding acquisitions and contingent consideration. Including acquisitions, it amounted to SEK 337 million (–45). The improvement in cash flow is primarily due to a less negative change in working capital. The previous year was adversely affected primarily by lower use of supplier finance for trade receivables. Net investments affecting cash flow, excluding acquisitions, decreased to SEK 425 million (451). Cash conversion for the last 12 months was 65% (1% for the 2022 calendar year). A dividend totaling SEK 512 million (512) was paid to shareholders in the second quarter. Other items in financing activities primarily include the amortization of loans of SEK 127 million.

• Cash flow after investments

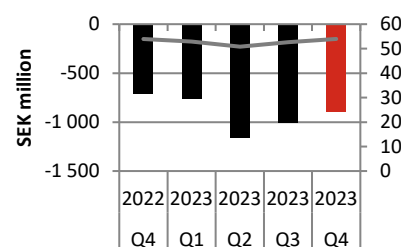


Excluding acquisitions and disposals

Financial position

Interest-bearing assets decreased to SEK 688 million (1,011), and interest-bearing financial liabilities declined to SEK 1,583 million (1,719). Net financial liabilities consequently totaled SEK 895 million (708). Payment of the dividend was the main contributor to increased net debt. There are also interest-bearing pension liabilities of SEK 228 million (173) and interest-bearing lease liabilities of SEK 293 million (314). Shareholders' equity decreased to SEK 5,171 million (5,392). The equity/assets ratio was 56% (54).

• Net financial liabilities & equity/assets ratio %



Financial position

SEK million	31/12/2023	31/12/2022
Interest-bearing liabilities, credit institutions	-1,583	-1,719
Cash and bank	688	1,011
Net financial liabilities	-895	-708
Interest-bearing pension liabilities	-228	-173
Net financial liabilities, including pension liabilities	-1,123	-881
Lease liabilities	-293	-314
Net financial liabilities, including pension- & lease liabilities	-1,416	-1,195
Working capital	1,381	1,108
<i>As a percentage of sales (average) (%)</i>	13.0	7.4
Capital employed	7,275	7,597
<i>Return on capital employed (average) (%)</i>	9.0	12.8
Shareholders' equity	5,171	5,392
<i>Return on shareholders' equity (average) (%)</i>	8.1	13.6

Personnel

The average number of employees in 2023 was 5,732 people (6,627). The decrease in the number of employees is mainly attributable to Integrated Solutions' operations in China.

Dividend

At the Annual General Meeting, the Board of Directors and the President and CEO will propose a dividend of SEK 1.50 per share (1.90), which corresponds to SEK 404 million (512). The pay-out ratio is 74% (78), excluding non-recurring items. The dividend yield was 2.8% on the share price as of December 31, 2023. Nolato's dividend policy is to propose a dividend that exceeds 50% of profit after tax, taking account of Nolato's long-term development opportunities, financial position and investment needs.

Events after the balance sheet date

No significant events have occurred since the end of the period, but high inflation and geopolitical tensions are, of course, also affecting Nolato's business and its customers. It is not currently possible to foresee the extent of this or how long it is likely to continue, nor is it possible to quantify its effects on the Group.

• Contact:

- Christer Wahlquist, President and CEO, tel. +46705 804848.
- Per-Ola Holmström, CFO, tel. +46705 763340.

Prior to publication this information constituted inside information that Nolato AB is obliged to publish pursuant to the EU Market Abuse Regulation. The information was issued for publication by the above contact persons on February 6, 2024 at 2 p.m. CET.

This report has not been audited by the Company's auditors.

• Webcast conference call on 6 February:

In connection with the year-end report, Nolato will hold a webcast conference call in English at 2.45 p.m. CET. Nolato will be represented by President and CEO Christer Wahlquist and CFO Per-Ola Holmström, who will present the interim report and answer questions. Information regarding telephone numbers and website is available at: <https://www.finwire.tv/webcast/nolato/year-end-report-2023/>

The presentation will be available at: www.nolato.com/reports

after publication of the interim report.

The webcast will be available at the same address after the live broadcast.

Significant risks and uncertainty factors

The Group and parent company's business risks and risk management, as well as the management of financial risks, are described on pages 71–73 and in Note 30 on pages 101–104 of the 2022 annual accounts.

No events of material significance occurred in the period that materially affect or change these descriptions of the Group and parent company's risks and their management.

Seasonal effects

Nolato does not experience any significant seasonal variations. However, in the third quarter sales within Industrial Solutions, and to a certain degree Medical Solutions, can be negatively affected by the fact that the holiday period falls in this quarter both for Nolato and its customers.

Ownership and legal structure

Nolato AB (publ), Swedish corporate identity number 556080-4592, is the Parent Company of the Nolato Group.

Nolato's Class B shares are listed on Nasdaq Stockholm in the Large Cap segment, where they are included in the Industrials sector.

There were 15,594 shareholders as of December 31. The largest shareholders are the Jorlén family, the Boström family, the Hamrin family and Första AP-fonden with 9% each, Nordea Funds with 8%, Lannebo Funds with 6%, and Andra AP-fonden with 4% of capital.

The Parent Company

For the parent company, which has no operating activities, sales amounted to SEK 81 million (65). Profit after financial income and expense was SEK –26 million (184) and was mainly affected by lower profit from participations in Group companies (dividends from subsidiaries).

Contingent liabilities totaled SEK 265 million (315).

Accounting and valuation principles

Nolato's consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.

The interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. Publication of this interim report is subject to the Swedish Securities Market Act.

The consolidated accounts have been prepared according to the same principles as in the most recent annual accounts, as set out in the Annual Report 2022.

IASB and the IFRS Interpretations Committee have issued new standards and statements that apply to financial years starting January 1, 2023, or later. There are no plans for early adoption of new or amended standards for future application. None of the standards or interpretations published by IASB are expected to have a material impact on the Group or Parent Company's financial statements.

The interim report for the Parent Company has been prepared in accordance with Chapter 9 of the Swedish Annual Accounts Act.

Annual General Meeting

The Annual General Meeting will be held on May 6, 2024. The Nomination Committee has proposed Klas Forsström, President and CEO of Munters Group AB, as a new Board member. Lars-Åke Rydh has declined to stand for re-election. The Board's Chairman and other members have been proposed for re-election. Shareholders who would like to submit proposals to the Nomination Committee can contact the chairman of the Nomination Committee, Henrik Jorlén, by email at henrik.jorlen@gmail.com or by mail at Kommendörsgatan 4, 269 77 Torekov, Sweden.

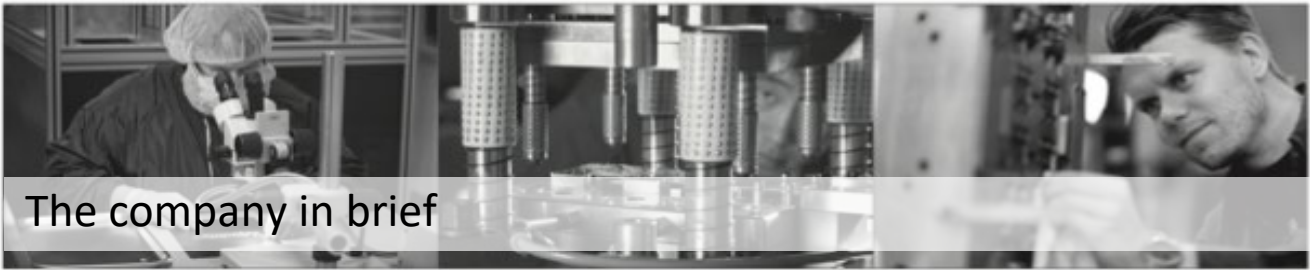
Financial information schedule

- Three-month interim report 2024: May 6, 2024
- 2024 Annual General Meeting: May 6, 2024
- Six-month interim report 2024: July 18, 2024
- Nine-month interim report 2024: October 24, 2024
- 2024 year-end report: February 6, 2025

Torekov February 6, 2024

Nolato AB (publ)

Nolato's Board of Directors



The company in brief

Nolato's business

Nolato is a global, advanced high-tech cooperation partner and manufacturer of polymer products and systems for leading customers in well-defined market areas such as medical technology, pharmaceuticals, consumer electronics, telecom, automotive, hygiene and other selected industrial sectors.

With its many years of experience, in-depth materials and processes expertise, early involvement in customer projects, advanced project management and detailed knowledge of each customer's specific requirements, Nolato is an effective and innovative partner.

Nolato's business model

Our business model is based on three decentralised business areas, which with their own decision-making and shared ambitions endeavour to fulfil our vision and financial targets.

The sharing of experience between our business areas, leading-edge technology, wide-ranging development and design know-how, advanced project management and efficient production allow us to establish long-term, innovative cooperation with our customers and partners and generate added value for both them and our shareholders.

Our shared values of being professional, well organised and responsible are reflected in everything we do.

Nolato's strategies

- Early involvement in customers' development processes
- Close and long-term collaboration/Partnerships with our customers
- Innovative, integrated and high-tech solutions
- High productivity/Lean manufacturing
- Advancing up the value chain/Greater added value
- Global presence
- Responsible business practice

Nolato is a Swedish group with operations in Europe, Asia and North America.

We develop and manufacture products in polymer materials such as plastic, silicone and TPE for leading customers within medical technology, pharmaceuticals, consumer electronics, telecom, automotive, hygiene and other selected industrial sectors.

Nolato's shares are listed on Nasdaq Stockholm in the Large Cap segment, where they are included in the Industrials sector.

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Consolidated income statement (summary)

SEK million	Note	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Net sales	1	2,252	2,364	9,546	10,774
Cost of goods sold		- 1,910	- 2,056	- 8,210	- 9,346
Gross profit		342	308	1,336	1,428
Selling expenses		- 56	- 56	- 227	- 213
Administrative expenses		- 121	- 100	- 462	- 389
Other operating income and operating expenses, net		—	—	10	41
		- 177	- 156	- 679	- 561
Operating profit	2	165	152	657	867
Financial income and expense	2	- 16	34	- 41	8
Profit after financial income and expense	2	149	186	616	875
Tax		- 74	- 40	- 181	- 178
Profit after tax		75	146	435	697
All earnings are attributable to the Parent Co.'s shareholders					
Depreciation/amortization reg. non-current assets		153	144	596	544
Basic earnings per share, SEK	3	0.28	0.54	1.61	2.59
Diluted earnings per share, SEK	3	0.28	0.54	1.61	2.59
Number of shares at the end of the period, before dilution		269,377,080	269,377,080	269,377,080	269,377,080
Number of shares at the end of the period, after dilution		269,377,080	269,377,080	269,377,080	269,377,080
Average number of shares, before dilution		269,377,080	269,377,080	269,377,080	269,377,080
Average number of shares, after dilution		269,377,080	269,377,080	269,377,080	269,377,080

At the end of the period, the Group had two incentive programmes: Incentive Programme 2019/2024 and Incentive Programme 2022/2028. For more information please see Note 3 Earnings per share on page 16.

Consolidated comprehensive income

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Profit after tax	75	146	435	697
Other comprehensive income				
<i>Items that cannot be transferred to profit for the period</i>				
Revaluations of defined benefit pension plans	- 62	6	- 57	102
Tax attributable to items that cannot be transferred to profit for the period	10	- 2	9	- 17
	- 52	4	- 48	85
<i>Items that have been converted or can be converted into profit for the period</i>				
Translation differences for the period on translation of foreign operations	- 249	- 172	- 109	344
Changes in the fair value of cash flow hedges for the period	9	12	6	3
Tax attributable to changes in the fair value of cash flow hedges	- 2	- 4	- 1	- 1
	- 242	- 164	- 104	346
Other comprehensive income, net of tax	- 294	- 160	- 152	431
Total comprehensive income for the period attributable to the Parent Co.'s shareh.	- 219	- 14	283	1,128

Financial instruments are measured at fair value in the statement of financial position, pursuant to measurement hierarchy Level 2.

Consolidated balance sheet (summary)

SEK million	31/12/2023	31/12/2022
Assets		
Non-current assets		
Non-current intangible assets	2,401	2,472
Property, plant and equipment	2,812	2,869
Rights of use	282	305
Non-current financial assets	2	2
Other non-current receivables	1	1
Deferred tax assets	14	87
Total non-current assets	5,512	5,736
Current assets		
Inventories	1,196	1,283
Accounts receivable	1,525	1,522
Other current assets ²⁾	379	455
Cash and bank	688	1,011
Total current assets	3,788	4,271
Total assets	9,300	10,007
Shareholders' equity and liabilities		
Shareholders' equity	5,171	5,392
Long-term liabilities and provisions ¹⁾	2,056	1,945
Deferred tax liabilities ¹⁾	237	294
Current liabilities and provisions ^{1) 3)}	1,836	2,376
Total liabilities and provisions	4,129	4,615
Total shareholders' equity and liabilities	9,300	10,007
¹⁾ Interest-bearing/non-interest-bearing liabilities and provisions:		
Interest-bearing liabilities and provisions	2,104	2,206
Non-interest-bearing liabilities and provisions	2,025	2,409
Total liabilities and provisions	4,129	4,615
Financial instruments are measured at fair value in the statement of financial position, pursuant to measurement hierarchy Level 2.		
²⁾ Derivative assets are included in other current assets at	13	4
³⁾ Derivative liabilities are included in current liabilities and provisions at	5	10

Changes in consolidated shareholders' equity (summary)

SEK million	Full year 2023	Full year 2022
Shareholders' equity at the beginning of the period	5,392	4,768
Total comprehensive income for the period	283	1,128
Dividends	- 512	- 512
Share warrants included in incentive programmes	8	8
Exercise of warrants included in incentive programmes	—	—
Shareholders' equity at the end of period attributable to Parent Co's shareholders	5,171	5,392

At the end of the period, the Group had two incentive programmes: Incentive Programme 2019/2024 and Incentive Programme 2022/2028. In Incentive Programme 2019/2024, Series 2021/2024 has redemptions from 01/05/2024 to 15/12/2024. The subscription price is SEK 140.20 for Series 2021/2024. In Incentive Programme 2022/2028, Series 2022/2026 has redemptions from 15/12/2025 to 15/06/2026, Series 2023/2027 has redemptions from 15/12/2026 to 15/06/2027 and Series 2024/2028 has redemptions from 15/12/2027 to 15/06/2028. The subscription price is SEK 57.80 for Series 2022/2026 and the subscription price is SEK 59.20 for Series 2023/2027. The programmes have been taken into account in calculating the number of shares after dilution. Upon full subscription, the programmes provide a maximum of 6,352,000 new class B shares.

Consolidated cash flow statement (summary)

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Cash flow from operating activities before changes in working capital	254	188	1,009	1,021
Changes in working capital	- 68	- 277	- 228	- 615
Cash flow from operating activities	186	- 89	781	406
Cash flow from investment activities	- 106	- 99	- 444	- 451
Cash flow before financing activities	80	- 188	337	- 45
Cash flow from financing activities	- 82	52	- 631	- 487
Cash flow for the period	- 2	- 136	- 294	- 532
Cash and cash equivalents at the beginning of the period	720	1,193	1,011	1,448
Exchange rate difference in liquid assets	- 30	- 46	- 29	95
Cash and cash equivalents at the end of the period	688	1,011	688	1,011

Note 1 Revenue

SEK million	Full year - 2023				Full year - 2022			
	Sum	Med. Sol.	Integr. Sol.	Indust. Sol.	Sum	Med. Sol.	Integr. Sol.	Indust. Sol.
Sweden	1,044	152	35	857	963	138	35	790
Other Europe	4,573	2,614	489	1,470	5,657	2,317	1,953	1,387
North America	2,827	2,200	176	451	2,622	2,085	178	359
Asia	922	171	674	77	1,371	166	1,137	68
Rest of world	192	171	5	16	175	153	8	14
Elimination internal sales	- 12				- 14			
Total revenues from customer contracts	9,546	5,308	1,379	2,871	10,774	4,859	3,311	2,618

The above table essentially covers products transferred at a specific date.

For the year 2023, the Group recognized decreased provision of impaired trade receivables of SEK 10 million. Impairment losses are recognized in the cost of goods sold.

Note 2 Reconciliation of consolidated income before tax

SEK million	Full year 2023	Full year 2022
Operating profit (EBIT)		
Medical Solutions	494	427
Integrated Solutions	45	333
Industrial Solutions	208	118
Group adjustments, Parent Company	– 90	– 11
Consolidated operating profit (EBIT)	657	867
Financial income and expense (not distributed by business areas)	– 41	8
Consolidated profit before tax	616	875

Including a non-recurring item of SEK –60 million in operating profit and full year 2023. The non-recurring items have been recognised at Group level and has therefore not affected the earnings of the business areas.

Including a non-recurring item of SEK 41 million in financial income and expense in Q4-2022 and full year 2022. The non-recurring items have been recognised at Group level and has therefore not affected the earnings of the business areas.

Note 3 Earnings per share (IFRS measures/alternative performance measures)

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Profit after tax	75	146	435	697
Average number of shares, before dilution	269,377,080	269,377,080	269,377,080	269,377,080
Basic earnings per share (SEK)	0.28	0.54	1.61	2.59
Non-recurring items	50	– 41	110	– 41
Profit after tax excluding non-recurring items	125	105	545	656
Basic earnings per share excluding non-recurring items (SEK)	0.46	0.39	2.02	2.44
Average number of shares, after dilution	269,377,080	269,377,080	269,377,080	269,377,080
Diluted earnings per share (SEK)	0.28	0.54	1.61	2.59
Diluted earnings per share excluding non-recurring items (SEK)	0.46	0.39	2.02	2.44
Number of shares at the end of the period, before dilution	269,377,080	269,377,080	269,377,080	269,377,080
Number of shares at the end of the period, after dilution	269,377,080	269,377,080	269,377,080	269,377,080

At the end of the period, the Group had two incentive programmes: Incentive Programme 2019/2024 and Incentive Programme 2022/2028. In Incentive Programme 2019/2024, Series 2021/2024 has redemptions from 01/05/2024 to 15/12/2024. The subscription price is SEK 140.20 for Series 2021/2024. In Incentive Programme 2022/2028, Series 2022/2026 has redemptions from 15/12/2025 to 15/06/2026, Series 2023/2027 has redemptions from 15/12/2026 to 15/06/2027 and Series 2024/2028 has redemptions from 15/12/2027 to 15/06/2028. The subscription price is SEK 57.80 for Series 2022/2026 and the subscription price is SEK 59.20 for Series 2023/2027. The programmes have been taken into account in calculating the number of shares after dilution. Upon full subscription, the programmes provide a maximum of 6,352,000 new class B shares.

Adjusted earnings per share (alternative performance measures)

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Profit after tax	75	146	435	697
Adjusted earnings:				
Amortization of intangible assets arising from acquisitions	12	11	44	41
Tax on amortization	- 3	- 3	- 10	- 9
Adjusted earnings	84	154	469	729
Average number of shares, before dilution	269,377,080	269,377,080	269,377,080	269,377,080
Adjusted basic earnings per share (SEK)	0.31	0.57	1.74	2.70
Non-recurring items	50	- 41	110	- 41
Adjusted earnings after tax, excluding non-recurring items	134	113	579	688
Adjusted basic earnings per share excluding non-recurring items (SEK)	0.50	0.42	2.15	2.55
Average number of shares, after dilution	269,377,080	269,377,080	269,377,080	269,377,080
Adjusted diluted earnings per share (SEK)	0.31	0.57	1.74	2.70
Adjusted diluted earnings per share excluding non-recurring items (SEK)	0.50	0.42	2.15	2.55

Five-year overview

IFRS measures	2023	2022	2021	2020	2019
Operating profit (EBIT) (SEK million)	657	867	1,333	1,048	887
Basic earnings per share (SEK)	1.61	2.59	4.32	3.03	2.66
Diluted earnings per share (SEK)	1.61	2.59	4.32	3.02	2.66

Alternative performance measures	2023	2022	2021	2020	2019
Net sales (SEK million)	9,546	10,774	11,610	9,359	7,919
Operating profit (EBITA) (SEK million)	701	908	1,369	1,066	895
EBITA margin (%)	7.3	8.4	11.8	11.4	11.3
Profit after financial income and expense (SEK million)	616	875	1,401	1,014	857
Profit after tax (SEK million)	435	697	1,160	806	703
Cash flow after investments, excl. acq. and disposals (SEK million)	446	8	446	905	800
Cash conversion (%)	65	1	35	87	88
Return on capital employed (%)	9.0	12.8	22.8	20.7	23.1
Return on shareholders' equity (%)	8.1	13.6	28.0	23.9	25.5
Net financial liabilities (-) / assets (+), excl. pension- & lease liabilities (SEK million)	- 895	- 708	- 51	- 298	666
Equity/assets ratio (%)	56	54	47	43	48
Adjusted basic earnings per share (SEK)	1.74	2.70	4.43	3.08	2.68
Adjusted diluted earnings per share (SEK)	1.74	2.70	4.42	3.08	2.68
Dividend per share (2023 proposal) (SEK)	1.50	1.90	1.90	1.60	—
Average number of employees	5,732	6,627	8,669	6,721	5,941

Including any non-recurring items.

Quarterly data (summary)

IFRS measures		Note	Q1	Q2	Q3	Q4	Full year
Operating profit (EBIT) (SEK million)	2	2023	183	186	123	165	657
	2	2022	258	252	205	152	867
		2021	299	377	331	326	1,333
Basic earnings per share (SEK)	3	2023	0.50	0.58	0.26	0.28	1.61
	3	2022	0.75	0.71	0.59	0.54	2.59
		2021	0.85	1.09	0.96	1.43	4.32
Diluted earnings per share (SEK)	3	2023	0.50	0.58	0.26	0.28	1.61
	3	2022	0.75	0.71	0.59	0.54	2.59
		2021	0.84	1.08	0.95	1.43	4.32
Alternative performance measures		Note	Q1	Q2	Q3	Q4	Full year
Net sales (SEK million)	1	2023	2,476	2,478	2,340	2,252	9,546
	1	2022	2,879	2,905	2,626	2,364	10,774
		2021	2,645	2,786	3,033	3,146	11,610
Operating profit (EBITDA) (SEK million)		2023	326	333	276	318	1,253
		2022	386	386	343	296	1,411
		2021	414	492	450	449	1,805
Operating profit (EBITA) (SEK million)		2023	193	198	133	177	701
		2022	267	264	214	163	908
		2021	308	386	339	336	1,369
EBITA margin (%)		2023	7.8	8.0	5.7	7.9	7.3
		2022	9.3	9.1	8.1	6.9	8.4
		2021	11.6	13.9	11.2	10.7	11.8
Profit after financial income and exp. (SEK million)	2	2023	173	192	102	149	616
	2	2022	251	241	197	186	875
		2021	286	360	322	433	1,401
Profit after tax (SEK million)		2023	136	155	69	75	435
		2022	201	190	160	146	697
		2021	226	291	257	386	1,160
Cash flow from operating activities (SEK million)		2023	75	240	280	186	781
		2022	89	131	275	- 89	406
		2021	249	500	361	118	1,228
Cash fl. from operations per share bef. dilution (SEK)		2023	0.28	0.89	1.04	0.69	2.90
		2022	0.33	0.49	1.02	- 0.33	1.51
		2021	0.93	1.86	1.34	0.44	4.58
Cash flow after investments, excluding acquisitions and disposals (SEK million)		2023	- 46	224	188	80	446
		2022	- 41	71	166	- 188	8
		2021	71	346	116	- 87	446
Cash flow after investments, excl. acquisitions and disposals per share before dilution (SEK)		2023	- 0.17	0.83	0.70	0.30	1.66
		2022	- 0.15	0.26	0.62	- 0.70	0.03
		2021	0.27	1.29	0.43	- 0.32	1.66
Adjusted basic earnings per share (SEK)	3	2023	0.53	0.61	0.29	0.31	1.74
	3	2022	0.77	0.74	0.62	0.57	2.70
		2021	0.87	1.11	0.98	1.46	4.43
Shareholders' equity per share, before dilution (SEK)		2023	21	20	20	19	19
		2022	19	19	20	20	20
		2021	15	15	16	18	18
Return on total capital (%)		2023	8.4	7.9	7.0	6.9	6.9
		2022	14.8	13.3	11.6	9.1	9.1
		2021	14.0	14.6	14.3	15.7	15.7

Alternative performance measures		Q1	Q2	Q3	Q4	Full year
Return on capital employed (%)	2023	11.5	10.7	9.4	9.0	9.0
	2022	21.6	19.4	16.7	12.8	12.8
	2021	20.2	21.0	20.6	22.8	22.8
Return on operating capital (%)	2023	12.5	11.0	9.5	9.7	9.7
	2022	25.3	21.8	18.3	14.4	14.4
	2021	28.0	28.5	26.8	27.1	27.1
Return on shareholders' equity (%)	2023	12.0	11.2	9.4	8.1	8.1
	2022	25.8	22.5	19.2	13.6	13.6
	2021	23.8	25.1	25.1	28.0	28.0
Closing share price Nolato B (Nasdaq Stockholm)	2023	52.55	50.70	44.82	52.90	52.90
	2022	70.00	55.00	50.85	54.65	54.65
	2021	77.80	84.20	104.70	107.90	107.90

Including a non-recurring item of SEK -60 million in operating profit in Q3-2023 and a non-recurring item of SEK -50 million in profit after tax in Q4-2023.

Including a non-recurring item of SEK 41 million in profit after financial income and expense and profit after tax in Q4-2022.

Including a non-recurring item of SEK 50 million in operating profit in Q2-2021 and SEK 115 million in profit after financial income and expense and profit after tax in Q4-2021, which in total impacted the profit after tax by SEK 165 million.

Quarterly data business areas

Alternative performance measures			Q1	Q2	Q3	Q4	Full year
Net sales (SEK million)	Note						
Medical Solutions	1	2023	1,324	1,364	1,320	1,300	5,308
	1	2022	1,088	1,214	1,245	1,312	4,859
		2021	1,006	1,021	977	1,063	4,067
Integrated Solutions	1	2023	414	392	330	243	1,379
	1	2022	1,140	1,019	745	407	3,311
		2021	1,045	1,186	1,519	1,476	5,226
Industrial Solutions	1	2023	740	724	691	716	2,871
	1	2022	653	676	638	651	2,618
		2021	595	580	540	609	2,324
Group adjustments, Parent Company	1	2023	-2	-2	-1	-7	-12
	1	2022	-2	-4	-2	-6	-14
		2021	-1	-1	-3	-2	-7
Group total	1	2023	2,476	2,478	2,340	2,252	9,546
	1	2022	2,879	2,905	2,626	2,364	10,774
		2021	2,645	2,786	3,033	3,146	11,610

Alternative performance measures		Q1	Q2	Q3	Q4	Full year
Operating profit (EBITA) (SEK million)						
Medical Solutions	2023	132	138	126	129	525
	<i>EBITA margin (%)</i>	10.0	10.1	9.5	9.9	9.9
	2022	106	121	104	126	457
	<i>EBITA margin (%)</i>	9.7	10.0	8.4	9.6	9.4
	2021	121	124	100	112	457
	<i>EBITA margin (%)</i>	12.0	12.1	10.2	10.5	11.2
Integrated Solutions	2023	22	16	10	-1	47
	<i>EBITA margin (%)</i>	5.3	4.1	3.0	-0.4	3.4
	2022	123	109	77	25	334
	<i>EBITA margin (%)</i>	10.8	10.7	10.3	6.1	10.1
	2021	125	154	200	192	671
	<i>EBITA margin (%)</i>	12.0	13.0	13.2	13.0	12.8
Industrial Solutions	2023	46	56	64	53	219
	<i>EBITA margin (%)</i>	6.2	7.7	9.3	7.4	7.6
	2022	40	37	33	18	128
	<i>EBITA margin (%)</i>	6.1	5.5	5.2	2.8	4.9
	2021	66	62	42	38	208
	<i>EBITA margin (%)</i>	11.1	10.7	7.8	6.2	9.0
Group adjustments, Parent Company	2023	-7	-12	-67	-4	-90
	2022	-2	-3	—	-6	-11
	2021	-4	46	-3	-6	33
Group total	2023	193	198	133	177	701
	<i>EBITA margin (%)</i>	7.8	8.0	5.7	7.9	7.3
	2022	267	264	214	163	908
	<i>EBITA margin (%)</i>	9.3	9.1	8.1	6.9	8.4
	2021	308	386	339	336	1,369
	<i>EBITA margin (%)</i>	11.6	13.9	11.2	10.7	11.8

Including a non-recurring item of SEK -60 million in operating profit in Q3 2023. The non-recurring item has been recognized at Group level and has therefore not affected the earnings of the business areas.

Including a non-recurring item of SEK 50 million in operating profit in Q2 2021. The non-recurring item has been recognized at Group level and has therefore not affected the earnings of the business areas.

Depreciation/write-downs/amortization (SEK million)		Q1	Q2	Q3	Q4	Full year
Medical Solutions	2023	84	87	93	92	356
	2022	69	74	79	86	308
	2021	61	61	63	64	249
Integrated Solutions	2023	17	18	17	19	71
	2022	15	17	16	14	62
	2021	15	16	15	16	62
Industrial Solutions	2023	42	42	43	42	169
	2022	43	43	43	44	173
	2021	39	38	41	42	160
Group adjustments, Parent Company	2023	—	—	—	—	—
	2022	1	—	—	—	1
	2021	—	—	—	1	1
Group total	2023	143	147	153	153	596
	2022	128	134	138	144	544
	2021	115	115	119	123	472

Group financial highlights

IFRS measures	Note	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Basic earnings per share (SEK)	3	0.28	0.54	1.61	2.59
Diluted earnings per share (SEK)	3	0.28	0.54	1.61	2.59
Alternative performance measures					
Net sales (SEK million)	1	2,252	2,364	9,546	10,774
Sales growth (%)		- 5	- 25	- 11	- 7
Percentage of sales outside Sweden (%)		88	89	89	91
Operating profit (EBITDA) (SEK million)		318	296	1,253	1,411
Operating profit (EBITA) (SEK million) ¹⁾		177	163	701	908
EBITA margin (%) ¹⁾		7.9	6.9	7.3	8.4
Profit after financial income and expense (SEK million)	2	149	186	616	875
Profit margin (%) ¹⁾		6.6	7.9	6.5	8.1
Profit after tax (SEK million)		75	146	435	697
Return on total capital (%) ¹⁾		—	—	6.9	9.1
Return on capital employed (%) ¹⁾		—	—	9.0	12.8
Return on operating capital (%) ¹⁾		—	—	9.7	14.4
Return on shareholders' equity (%) ¹⁾		—	—	8.1	13.6
Equity/assets ratio (%)		—	—	56	54
Debt/equity (%)		—	—	41	41
Interest coverage ratio (times)		9	14	10	17
Net investments affecting cash flow, excluding acquisitions and disposals (SEK million)		106	99	425	451
Cash flow after investments, excluding acquisitions and disposals (SEK million)		80	- 188	446	8
Cash conversion (%) ¹⁾		—	—	65	1
Net financial liabilities, excl. pension- & lease liab. (SEK million)		—	—	- 895	- 708
Adjusted earnings per share, basic and diluted, (SEK)	3	0.31	0.57	1.74	2.70
Cash flow from operations per share, before and after dilution, (SEK)		0.69	- 0.33	2.90	1.51
Cash flow after investments excluding acquisitions and disposals, per share, before and after dilution, (SEK)		0.30	- 0.70	1.66	0.03
Shareholders' equity per share, before and after dilution, (SEK)		—	—	19	20
Average number of employees		—	—	5,732	6,627

See definitions of IFRS measures and alternative performance measures on page 22.

¹⁾ KPIs calculated as specified on pages 23 and 24.

Including a non-recurring item of SEK -60 million in operating profit in full year 2023 and SEK -50 million in profit after tax in Q4-2023 and full year 2023.

Including a non-recurring item of SEK 41 million in profit after financial items in Q4-2022 and full year 2022, which also impacted the profit after tax.

Definitions - IFRS measures

Earnings per share

Earnings for the period that are attributable to the parent company's owners divided by the average number of outstanding shares.

Operating profit (EBIT)

Earnings before financial income and expense and taxes.

Definitions - Alternative performance measures

Nolato presents certain financial measures in this report that are not defined according to IFRS. Nolato considers that these measures provide valuable supplementary information for investors and company management, as they enable an assessment of trends and the company's performance. Since not all companies calculate financial measures in the same way, these are not always comparable to measures used by other companies. These financial measures should not therefore be regarded as substitutes for measures defined according to IFRS.

Adjusted earnings per share

Profit after tax, excluding amortization of intangible assets arising from acquisitions, divided by the average number of shares.

Average number of shares

The average basic number of shares comprises the parent company's weighted average number of outstanding shares during the period. After dilution, a weighted average of the shares that may be issued under the ongoing share warrant programme is added, if they are in-the-money, but only insofar as the average listed share price for the period exceeds the subscription price of the warrants.

Cash conversion

Cash flow after investments, excl. acquisitions and disposals, divided by operating profit (EBIT). Cash flow and operating profit have been adjusted by non-recurring items, if any.

Cash flow after investments, excl. acquisitions and disposals per share

Cash flow after investing activities excl. acquisitions and disposals, divided by the average number of shares.

Cash flow from operating activities per share

Cash flow from operating activities, divided by the average number of shares.

Debt/equity ratio

Interest-bearing liabilities and provisions divided by shareholders' equity.

EBITA margin

Operating profit (EBITA) as a percentage of net sales.

Equity/assets ratio

Shareholders' equity as a percentage of total capital in the balance sheet.

Interest coverage ratio

Profit after financial income and expense, plus financial expenses, divided by financial expenses.

Net financial liabilities (-) / financial assets (+)

Interest-bearing liabilities from credit institutions less interest-bearing assets.

Operating profit (EBITA)

Earnings before financial income and expense, taxes and amortization of intangible assets arising from acquisitions.

Operating profit (EBITDA)

Earnings before financial income and expense, taxes and depreciation/amortization.

Profit margin

Profit after financial income and expense as a percentage of net sales.

Return on capital employed

Profit after financial income and expense, plus financial expenses as a percentage of average capital employed. Capital employed consists of total capital less non-interest-bearing liabilities and provisions.

Return on operating capital

Operating profit as a percentage of average operating capital. Operating capital consists of total capital less non-interest-bearing liabilities and provisions, less interest-bearing assets.

Return on shareholders' equity

Profit after tax as a percentage of average shareholders' equity.

Return on total capital

Profit after financial income and expense, plus financial expenses as a percentage of average total capital in the balance sheet.

Forward-looking information

Some of the items reported relate to future events and actual outcomes may differ materially. In addition to those factors explicitly commented on, other factors may also materially affect the actual outcome, such as economic conditions, exchange rates and interest rate levels, political risks, competition and pricing, product development, commercialisation and technical difficulties, supply problems and customer credit losses.

Alternative performance measures

SEK million unless otherwise specified	Note	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Operating profit (EBITDA)		318	296	1,253	1,411
Non-recurring items		—	—	60	—
Adjusted operating profit (EBITDA)		318	296	1,313	1,411
Operating profit (EBIT)	2	165	152	657	867
Reversal of amortization of intangible assets arising in connection with acquisitions		12	11	44	41
Operating profit (EBITA)		177	163	701	908
Non-recurring items		—	—	60	—
Adjusted operating profit (EBITA)		177	163	761	908
EBITA margin (%)		7.9	6.9	7.3	8.4
Adjusted EBITA margin (%)		7.9	6.9	8.0	8.4
Profit after financial income and expense	2	149	186	616	875
Non-recurring items		—	– 41	60	– 41
Adjusted profit after financial income and expense		149	145	676	834
Profit margin (%)		6.6	7.9	6.5	8.1
Adjusted profit margin (%)		6.6	6.1	7.1	7.7
Profit after tax		75	146	435	697
Non-recurring items		50	– 41	110	– 41
Adjusted profit after tax		125	105	545	656
Cash flow after investments, excluding acquisitions and disposals		—	—	446	8
Non-recurring items (affecting cash flow)		—	—	18	—
Adjusted cash flow after investments, excl. acquisitions and disposals		—	—	464	8
Operating profit (EBIT)	2	—	—	657	867
Non-recurring items		—	—	60	—
Adjusted operating profit (EBIT)		—	—	717	867
Cash conversion (%)		—	—	65	1

Including a non-recurring item of SEK –60 million in operating profit in full year 2023 and SEK –50 million in profit after tax in Q4-2023 and full year 2023. The non-recurring items have been recognised at Group level and has therefore not affected the earnings of the business areas.

Including a non-recurring item of SEK 41 million in profit after financial items and profit after tax in Q4-2022 and full year 2022. The non-recurring items have been recognised at Group level and has therefore not affected the earnings of the business areas.

Alternative performance measures SEK million unless otherwise specified	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021
Profit after financial income and exp., rolling 12 months	616	652	748	797	875				
Financial expense, rolling 12 months	70	66	64	59	56				
Adj. profit after financial inc. and exp., rolling 12 months	686	718	812	856	931				
Total capital, at the end of period	9,300	9,924	10,211	10,147	10,007	10,635	10,220	9,984	10,056
Average total capital, last 5 quarters	9,918	10,185	10,244	10,199	10,180				
Return on total capital (%)	6.9	7.0	7.9	8.4	9.1				
Adj. profit after financial inc. and exp., rolling 12 months	686	718	812	856	931				
Capital employed, at the end of period	7,275	7,581	7,826	7,726	7,597	7,659	7,220	7,074	6,809
Average capital employed, last 5 quarters	7,601	7,678	7,606	7,455	7,272				
Return on capital employed (%)	9.0	9.4	10.7	11.5	12.8				
Operating profit (EBIT), rolling 12 months	657	643	726	791	867				
Capital employed, at the end of period	7,275	7,581	7,826	7,726	7,597	7,659	7,220	7,074	6,809
Cash and bank, at the end of period	-688	-720	-815	-932	-1,011	-1,193	-1,115	-1,408	-1,448
Operating capital, at the end of period	6,587	6,861	7,011	6,794	6,586	6,466	6,105	5,666	5,361
Average operating capital, latest 5 quarters	6,768	6,744	6,592	6,323	6,037				
Return on operating capital (%)	9.7	9.5	11.0	12.5	14.4				
Profit after tax, rolling 12 months	435	506	597	632	697				
Shareholders' equity, at the end of period	5,171	5,382	5,349	5,534	5,392	5,398	4,998	5,010	4,768
Average shareholders' equity, latest 5 quarters	5,366	5,411	5,334	5,266	5,113				
Return on shareholders' equity (%)	8.1	9.4	11.2	12.0	13.6				

Acquisitions

Acquisition of P&P Technology Ltd.

Description of the company

Nolato has acquired UK-based P&P Technology. The company, which has annual sales equivalent to approximately SEK 25 million with good profitability, provides component- and materials-based electronics shielding solutions for electromagnetic compatibility (EMC). The acquisition provides Nolato with complementary production technologies, an expanded customer base and a stronger presence in the UK.

P&P Technology, which was established in 2014, employs around 20 people at its facility northeast of London, and has a diversified customer base within the aviation, automotive and other industries.

Description of the acquisition

Nolato has acquired 100% of the shares in P&P Technology Ltd, and obtained controlling influence. The company was acquired on April 27 and subsequently consolidated into Nolato. The acquisition was reported using the acquisition method, with the total purchase price being allocated among the assets acquired and liabilities assumed based on their fair values. Fair value was determined using generally accepted principles and methods. The acquisition price for the company, which is debt-free, amounts to approximately SEK 18 million, including a contingent consideration estimated by Nolato at SEK 6 million. The contingent consideration is based on actual earnings for the 2023–2025 period. The purchase price comprises a cash payment. The acquisition contributed SEK 17 million to the Nolato Group's revenue during 2023 and has not had any significant impact on the Group's earnings per share. The acquisition analysis of the company has been established and is thus definitive.

Acquisition value, goodwill and cash flow effects

Acquisition value

Acquisition value	18
Less fair value of acquired net assets (according to specification below)	– 9
Goodwill	9

Goodwill arising in connection with the transaction consists of synergies that are expected to be achieved primarily as a result of increased sales volumes for the Nolato Group to customers in the EMC business unit, which is part of Integrated Solutions. The goodwill is not tax-deductible according to UK tax rules.

Net assets

	Balance sheet at time of acquisition	Adjustment to fair value	Fair value
Non-current intangible assets	0	4	4
Property, plant and equipment	3	—	3
Rights of use	2	—	2
Current assets	6	—	6
Cash and cash equivalents	0	—	0
Other non-current financial liabilities	– 1	—	– 1
Deferred tax liabilities	– 1	– 1	– 2
Other current financial liabilities	– 1	—	– 1
Other current liabilities	– 2	—	– 2
Net assets acquired	6	3	9

Non-current intangible assets in the form of customer relationships are estimated to amount to SEK 4 million and will be amortized for accounting purposes over a period of 10 years. Gross value, fair value and the value expected to be settled for the balance sheet item 'Accounts receivable' are all SEK 3 million. Acquisition expenses of SEK 1 million were expensed as other operating expenses.

Cash flow effects

Cash paid, acquisition value	12
Less acquired cash and cash equivalents	0
Net cash flow from acquisition	12

Acquisition of Be-Må Tools AB

Nolato has acquired Be-Må Tools AB, a small company based in Sweden. The acquisition boosts our capacity in manufacturing and servicing molds for polymer production. A newly formed company has carried out an asset acquisition of Be-Må AB's net assets. The acquisition was completed on August 7 and consolidated as of the same date. The purchase price for the asset acquisition, excluding cash and cash equivalents, amounts to SEK 7 million. No goodwill or customer relationships have been assigned. Had the acquisition taken place on January 1, 2023, it would have contributed SEK 7 million to Group revenue; full-year sales are estimated at approximately SEK 10 million. The acquisition has no material impact on consolidated earnings per share, and acquisition costs are also not material. The acquisition analysis of the company has been established and is thus definitive.

Parent Company income statement (summary)

SEK million	Q4 2023	Q4 2022	Full year 2023	Full year 2022
Net sales	23	12	81	65
Selling expenses	- 2	- 2	- 6	- 7
Administrative expenses	- 19	- 13	- 74	- 57
Other operating income	2	2	6	5
Other operating expenses	- 12	- 13	- 50	- 61
Operating profit	- 8	- 14	- 43	- 55
Profit from participations in Group companies	9	141	42	282
Financial income	15	14	54	60
Financial expenses	- 12	- 1	- 79	- 103
Profit after financial income and expense	4	140	- 26	184
Appropriations	390	266	390	266
Tax	- 72	- 57	- 68	- 42
Profit after tax	322	349	296	408
Depreciation/amortization	—	—	—	—

Parent Company balance sheet (summary)

SEK million	31/12/2023	31/12/2022
Assets		
Property, plant and equipment	1	1
Financial assets	4,236	4,061
Deferred tax assets	5	—
Total fixed assets	4,242	4,062
Other receivables	690	890
Cash and bank	3	6
Total current assets	693	896
Total assets	4,935	4,958
Shareholders' equity and liabilities		
Shareholders' equity	2,788	3,004
Untaxed reserves	296	247
Deferred tax liabilities	—	1
Other provisions	7	4
Long-term liabilities	1,454	1,511
Current liabilities	390	191
Total shareholders' equity and liabilities	4,935	4,958

Transactions with related parties	Period	Services sold	Services bought	Interest income	Interest expenses	Result from shares in Group com	Rec fr rel part on bal sheet date	Liab to rel part on bal sheet date
SEK million								
Subsidiary	Full year 2023	81	- 29	51	- 6	42	1,471	365
Subsidiary	Full year 2022	65	- 22	60	- 1	282	1,824	181

None of the company's Board members or senior executives currently have, or have previously had, any direct or indirect involvement in any business transaction with the company which is, or was, of an unusual character in terms of its conditions. Nor has the Group issued any loans, pledged any guarantees or entered into any surety arrangements for any of the company's Board members or senior executives.

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